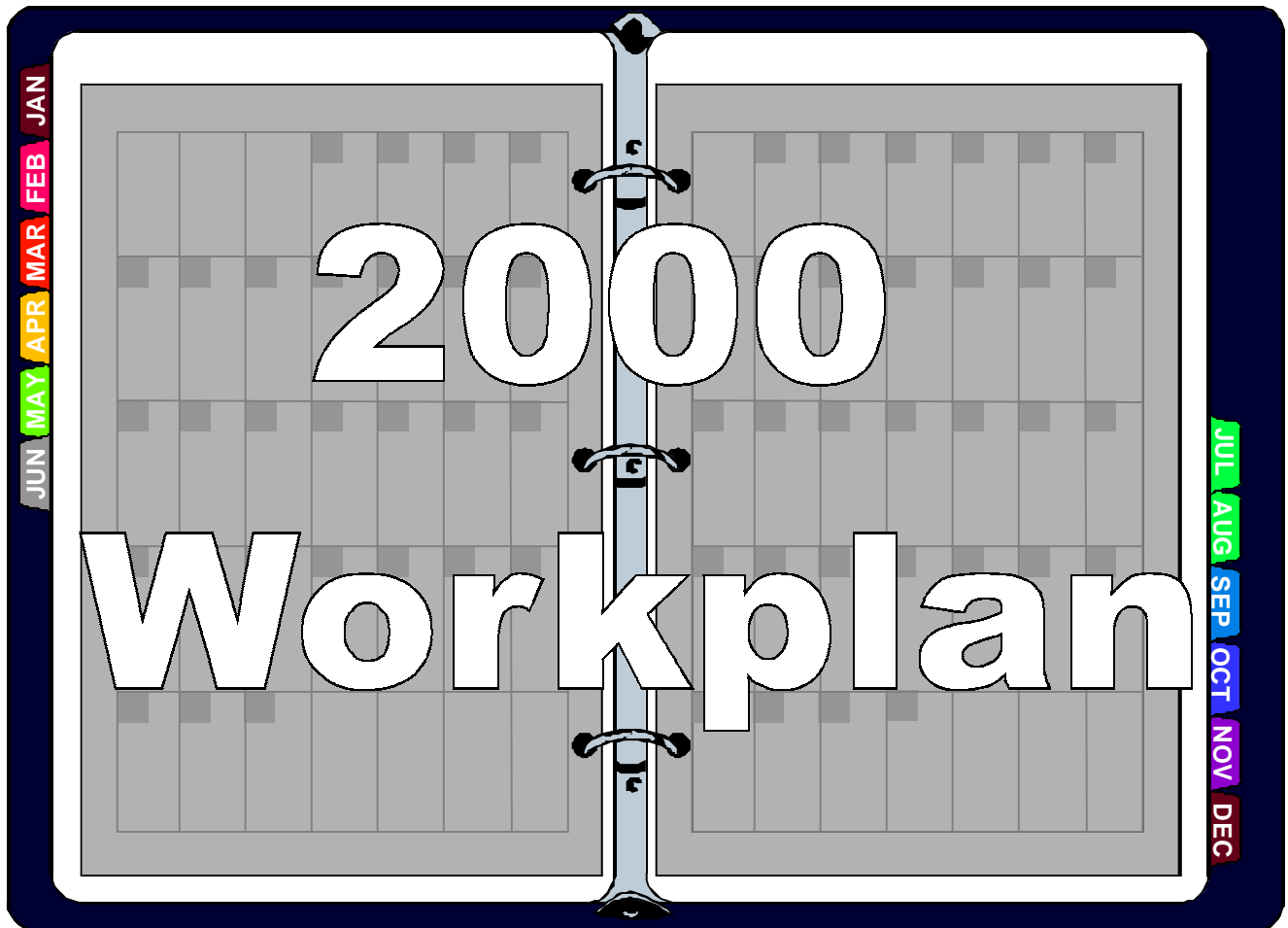


**Joint Legislative Audit
and Review Commission
of the
Virginia General Assembly**



May 8, 2000

1. WORK PLANNING PROCESS

The Joint Legislative Audit and Review Commission (JLARC) is the oversight arm of the Virginia General Assembly. It was established by the legislature in 1973 to review and evaluate the operations and performance of State agencies and programs (§30-56 to §30-63 of the *Code of Virginia*).

In 1978, the General Assembly expanded the JLARC oversight role by enacting the Legislative Program Review and Evaluation Act (§30-65 to §30-73). The Evaluation Act provides for the periodic review and evaluation of selected topics from among the seven budget functions of State government. It also establishes a process for involving House and Senate standing committees in the Commission's study activities. The authority of the Commission to conduct follow-up studies was clarified and formalized by the 1980 General Assembly (§30-58.2). In 1986, the Evaluation Act was amended to eliminate its sunset provision.

In 1994, the General Assembly passed the Virginia Retirement System Oversight Act (§§30-78 through 30-84). This Act designated JLARC as the legislative agency responsible for carrying out retirement system oversight. The Commission is required by this Act to make certain reports to the General Assembly regarding investments and the actuarial soundness of VRS trust funds. The Commission's retirement system oversight activities are guided by a subcommittee appointed by the Chairman.

JLARC also has statutory responsibility to review internal service fund accounts (§2.1-196.1) and to periodically review the codified exemptions and exclusions from the Administrative Process Act (§9-6.14:4.1G).

In 1999, language was added to the Appropriation Act (Item 16 K) to provide JLARC with additional funds to expand the technical support staff of JLARC “to assist with legislative fiscal impact analysis” and “to conduct oversight of the expenditure forecasting process.” A fiscal analysis section was established and staffed in 1999. Funding and language for the section were continued in the 2000-2002 Appropriation Act.

How the JLARC Planning Process Works

The work planning process is a modified management-by-objective system adapted to serve a small, research-oriented organization like JLARC. The process can be subdivided into three basic steps -- plan preparation and approval, plan control, and plan evaluation.

Plan Preparation and Approval. The JLARC biennial budget and topic selection processes serve as the foundation for annual workplan preparation. The plan is prepared annually by the Director and the deputy director. Research topics are approved annually by the Commission and the General Assembly. Plan preparation begins after topics have been selected, usually near the end of the legislative session.

The workplan establishes a general framework for defining agency goals and objectives, work activities, a project timetable, and staff assignments for the current year. While there can be substantial overlap in JLARC's work areas, objectives and activities are presented for nine separate program areas within this plan:

- *Research Plan and Priorities* -- a brief summary of research activities expected during the year including target dates for project completion.
- *Virginia Retirement System Oversight* -- a discussion of the continuing oversight activities and research projects for 2000.
- *Fiscal Analysis Section* -- a discussion of activities of the fiscal analysis section, including expenditure forecasting and fiscal note reviews.
- *Other Ongoing Oversight Activities* -- a discussion of JLARC's responsibilities regarding internal service funds and other areas.
- *Division Management* -- a discussion of work activities carried out within each of JLARC's research divisions.
- *Research Methods* -- a listing of work activities to be carried out by the staff methodologist.
- *Information Systems* -- the computer support activities to be managed by the computer resource analyst or other relevant staff.
- *Publications* -- a summary of work activities planned by the publications analyst.
- *Business Management and Office Services* -- an outline of administrative and office services activities.
- *Training* -- a discussion of staff training and development planned for the year.

The plan guides work activities during the year. It is used as a basis for communication among the project leaders, the division chiefs, the business manager, the staff methodologist, the publications analyst, the deputy director, and the Director. It is also used as an aid in project management and problem identification. The plan may be periodically revised to reflect changes in organizational priorities and needs.

Plan Control. The annual workplan is submitted to the Commission for its review and approval. Agency and project managers are provided periodically with information about project scheduling and achievements. Mechanisms for conveying this information include project workplans, weekly planning meetings, monthly planning and project status reports, and personnel time allocation reports.

Weekly planning meetings are held most Monday mornings and feature informal reports on the status of projects and activities. These meetings are used to coordinate activities and to set priorities for administrative support during the week. The staff leadership team, which consists of the Director, deputy director, division chiefs, business manager, and managers of the publications and methods sections, outlines a plan of work for the period preceding each Commission meeting. Following most Commission meetings, the Director calls a meeting of the entire staff. At these staff meetings, the Commission meeting is reviewed, plans for ongoing projects are discussed, and items of general interest to the staff are raised.

Periodic meetings may also be held with project leaders and the leadership team. These meetings are a vehicle for keeping key staff members involved in and informed of important items of organizational and project interest. Communication of plan, project, and other work responsibilities is also accomplished by the preparation of project-specific planning documents and overall organizational directives such as the Research Guide and Administrative Manual.

The leadership team periodically reviews status reports on each of the ongoing research projects. Status reports include such information as the completion date, work phases completed, work accomplished since the last reporting period, and significant report findings. The workplan may be revised from time to time to reflect changes in project scope, status, and priorities.

Time allocation forms are prepared by staff on a weekly basis. These forms are used to track individual and project time and to prepare periodic cost allocation reports when needed.

Plan Evaluation. Four types of outcomes can serve as performance indicators to evaluate the accomplishments of the JLARC workplan:

- *Products* -- studies and reviews produced and reported.
- *Completion of Other Scheduled Activities* -- the extent to which work activities, such as training, management, and administration, are effectively completed.
- *Legislative/Executive Utilization* -- (a) the extent to which JLARC reports provide useful information to the General Assembly and executive agencies, (b) the extent to which the legislature and executive agencies implement JLARC recommendations, (c) potential for cost savings accruing to the Commonwealth, and (d) potential for improvements in agency operations and service delivery.
- *Legislative Feedback* -- the extent to which the Commission members, members of the General Assembly, and leadership indicate utilization of the research products and information.

JLARC accomplishments are assessed by follow-up of completed studies and reported biennially in the Report to the General Assembly. The last such report was prepared in September of 1999.

Evaluation Act Planning and Scheduling

Under the provisions of the Legislative Program Review and Evaluation Act (§30-65 to §30-73), the Commission periodically selects and schedules functional areas of State government for systematic review and evaluation. The last full scheduling resolution was adopted by the General Assembly in 1995. Senate Joint Resolution No. 262 of 1995 directed JLARC to "review and evaluate the functional areas of state government according to the following schedule, the order of which may be reviewed and revised by future sessions of the General Assembly:"

- Administration of Justice
- Resource and Economic Development
- Transportation

A total of ten studies were completed under the provisions of this and related study mandates. In addition, there remain some study topics from SJR 262 and its companion resolution, SJR 263, that have not been addressed. The Commission has not allocated staff resources for these studies, but may do so in 2000. These areas will be studied as directed by the Commission. The Commission may consider a new scheduling resolution for proposal to the 2001 Session.

2. JLARC GOAL, STRATEGY, AND PERFORMANCE INDICATORS

The JLARC organizational goal and the strategy for implementing it are as follows:

Goal

Ensure that the legislature has a viable and rigorous oversight capability, that the legislature is informed about program operations, that legislative intent is fulfilled by agencies, and that State programs are carried out in an efficient, effective, and economical manner. Specific management and performance objectives include the efficient and effective implementation of the nine program areas detailed elsewhere in this plan.

Strategy

Conduct research, including agency visits and interviews, other appropriate field work, surveys, literature reviews, hearings, and statistical analyses, to produce documents, reports, and briefings which are presented to the Commission, General Assembly, and Governor for review and consideration.

Performance Indicators

Evaluate the accomplishment of JLARC organizational goals and objectives through the use of performance indicators, as detailed on page four. Achievement of JLARC's goal and strategy is assessed by evaluating the accomplishment of planned activities in the program areas detailed in this plan.

3. RESEARCH PLAN AND PRIORITIES

This segment of the workplan establishes the research plan for 2000. Specific objectives of the research plan are:

- Prepare special studies and reports as requested by the General Assembly or as directed by the Commission.
- Carry out evaluations of selected programs and agencies that are approved for study under the Evaluation Act and the Virginia Retirement System Oversight Act.
- Maintain legislative control of internal service funds, ensuring fund managers have flexibility to operate efficiently and effectively.

Brief summaries of projects scheduled during 2000 are outlined in this section. Research priorities for 2000 are as follows:

PROJECTS TO BE CONCLUDED, CONTINUED OR INITIATED DURING 2000

Review of the Virginia Housing Development Authority
Follow-Up Review of Welfare Reform
Integrated Human Resources Information System (IHRIS)
Review of VDOT's Interstate Maintenance Contract
Review of Child Support Enforcement Program (Final)
The Costs of Raising Children
Review of the Medicaid Reimbursement System for
Inpatient Hospital Care
Revolutionary War Veterans Burial Sites (Final)
Richmond Metropolitan Authority's Toll Facility Operations
Review of the Virginia Distribution Center
Review of the State Aid Formula for Public Libraries
Review of Small Business Development Centers
Proposed Study: State Funding of Elementary and
Secondary Education
Evaluation Act Studies, If Scheduled

Ongoing Virginia Retirement System Studies (Section 4)
Ongoing Reviews of General Fund Expenditure Forecasts (Section 5)
Ongoing Debt Capacity Oversight (Section 6)
Ongoing Internal Service Fund Reviews (Section 6)
Ongoing Inmate Forecast Oversight (Section 6)
Ongoing Review of DPB Performance Measures (Section 6)
Periodic Reports of the Fiscal Analysis Section (Section 6)

Review of the Virginia Housing Development Authority

(Planning date for briefing: June 2000)

House Joint Resolution 731 of the 1999 Session directs JLARC to study the various programs of the Virginia Housing Development Authority. The study mandate specifically directs that the review include an evaluation of the Section 8 program and a determination if the programs administered by VHDA address the housing needs of low and moderate income Virginians. The review will also examine the performance, operation, management, and organization of VHDA. The Virginia Housing Study Commission is to assist JLARC in this study.

Follow-up Review of Welfare Reform

(Planning date for briefing: September 2000)

Item 16-M of the 1999 Appropriation Act directs JLARC to conduct an annual follow-up review of Virginia's welfare reform program beginning in FY 2000. This study is to focus on the trends in the labor market outcomes and welfare participation rates for a sample of persons who were required to enroll in the State's employment program for welfare recipients. The labor market and welfare participation rates for the recipients who were selected for this study were originally examined in 1998.

Assessment of the Integrated Human Resources Information System (IHRIS)

(Planning date for briefing: September 2000)

Item 80 of the 2000 Appropriation Act directs the Auditor of Public Accounts and JLARC to complete an assessment of the current human resources and payroll technical business environments, including an examination of the IHRIS system being developed by the Department of Personnel and Training. The review is to report on the extent to which development of IHRIS will provide for: (1) integration of the central payroll and leave systems, (2) a modernized personnel data system, (3) increased access to personnel data by agencies while maintaining privacy and control, and (4) implementation of the recommendations of the Commission on the Reform of the Classified Compensation Plan. The Auditor's report is to recommend whether future funding should be made available for the development of IHRIS.

Review of VDOT's Administration of the Interstate Maintenance Contract

(Planning date for briefing: September 2000)

In 1998 the Commission directed a preliminary review of the maintenance contract for portions of Interstates 95, 81, 77, and 381. Based upon the results of the preliminary review, the Commission directed staff to complete a

follow-up review of VDOT's administration of the interstate maintenance contract. The interstate maintenance contract is a total asset management contract approved through the Public-Private Transportation Act (PPTA) that requires Virginia Maintenance Services (VMS) to provide all routine and restorative maintenance to more than 250 miles of the State's interstate system. The current review will focus on VDOT's ability to adequately evaluate VMS' maintenance performance and VDOT's process for determining the cost effectiveness of similar highway maintenance proposals submitted under the PPTA.

Review of the Child Support Enforcement Program (Final Report)

(Planning date for briefing: October 2000)

House Joint Resolution 553 of the 1999 General Assembly Session directed JLARC to evaluate the State's child support enforcement activities. The Division of Child Support Enforcement (DCSE) at the Department of Social Services (DSS) employs over half of DSS' total staff. The division has about 900 positions; most are employed at the 22 district offices across the State. The division serves over one in four of Virginia's children. This review is being conducted in two phases. The interim report included an assessment of certain caseload and funding issues. The final report will examine the child support enforcement program in more detail, and will address issues such as the effectiveness and efficiency of the system, appropriateness of staffing levels relative to caseloads, and management of the program.

The Costs of Raising Children

(Planning date for briefing: October 2000)

Senate Joint Resolution 192 of the 2000 General Assembly session directs JLARC to examine the costs of raising children in single-parent households in Virginia. It also directs JLARC to develop data that can be used to determine appropriate child support amounts. This project will focus on three main study issues: (1) whether the estimated costs coming from Virginia-specific data would be significantly different from those that are collected nationwide; (2) what are currently the best available cost estimates, and what better estimates can be developed by JLARC staff; and (3) how these cost estimates can be used to determine child support guidelines. JLARC staff will use multiple regression and other statistical methods to analyze U.S. Bureau of Labor Statistics Consumer Expenditure survey data and other relevant data sources to address these three study issues.

Review of the Medicaid Reimbursement System for Inpatient Hospital Care
(Planning date for briefing: November 2000)

Item K of the 2000 Appropriation Act directs JLARC to examine the methodology used by the Department of Medical Assistance Services (DMAS) to set the rate of reimbursement paid to hospitals by Medicaid for inpatient hospital services. This study will focus on the accuracy and appropriateness of DMAS' rate setting and rebasing processes.

Revolutionary War Veteran Burial Sites (Final Report)
(Planning date for briefing: November 2000)

House Joint Resolution 530 and Senate Joint Resolution 345 from the 1999 Session direct JLARC to conduct a review of Revolutionary War veteran burial sites. The State has a program for the care and maintenance of Confederate veteran gravesites, but no similar program for Revolutionary War veterans. An interim report for the review provided a compiled list of veterans reportedly buried or recognized at locations in Virginia. The final report for the study will address: the estimated number of gravesites that might be eligible for a preservation program; the condition of the gravesites; the likely costs associated with preserving the gravesites; and recommendations that appear appropriate if the State wishes to develop a program to help provide for the preservation of the gravesites.

Review of Richmond Metropolitan Authority's Toll Facility Operations
(Planning date for briefing: December 2000)

House Joint Resolution 64 of the 2000 General Assembly Session requires JLARC to study the operation of the highway toll facilities by the Richmond Metropolitan Authority (RMA). This review will examine the operation of the facilities and the retirement of debt to enable their toll-free operation. Specifically, the current review will address: the amount and purpose of debt issued for RMA's highway system, the use of toll revenue, the policies and procedures governing the management of toll revenues, and the options available for enabling the toll-free operation of both the RMA expressway and VDOT's Powhite Extension.

Review of the Virginia Distribution Center
(Planning date for briefing: December 2000)

Item 20 of the 2000 Appropriation Act directs JLARC to study the distribution of food and other products from the Virginia Distribution Center (VDC) to State agencies and political subdivisions. The VDC was created in 1960 to

provide State and local agencies with a central source of food and supplies at prices lower than those available to individual agencies through the private sector. The VDC obtains lower prices through volume buying. In recent years attention has been directed at the feasibility of privatizing the functions of the VDC. The mandate for this study specifically requests an examination of the adequacy of the VDC's services and products, the applicability of industry best practices to the Center's operations, the appropriateness of alternatives for the distribution of food and other products to State and local agencies, and the feasibility of expanding distribution services to additional State and local agencies and non-profit organizations in the Commonwealth.

Review of the State Aid Formula for Public Libraries

(Planning date for briefing: June 2001)

Item 20 #4 C of the 2000 Appropriation Act requires JLARC to conduct a review of the formula used to allocate State aid to local libraries to ensure that the formula provides an equitable distribution of aid among public libraries in Virginia. The review will consider changes in the funding patterns among local governments, the ability of local communities to fund library services, and collaborative efforts among local libraries and government entities. The review will also address the impact of technological changes on library services. Finally, the review will also examine the use of population and expenditure caps in the current formula as well as the inclusion of a construction component in the state aid formula.

Review of Small Business Development Centers

(Planning date for briefing: Summer 2001)

Senate Joint Resolution No. 233 of the 2000 Session of the General Assembly directs JLARC to study the policies and procedures governing the formation of small business development centers in Virginia and other locally based centers organized to assist and develop small businesses. The resolution directs JLARC to review "the existing procedures and criteria for such centers to receive state and federal funding under programs administered" by the Virginia Department of Business Assistance. The study is required to be completed prior to the 2002 Session of the General Assembly.

Proposed Study: State Funding of Elementary and Secondary Education

(Planning dates for briefing: Interim report – December 2000; Final Report – August 2001)

Based on numerous calls for such a study during the 2000 General Assembly Session, a JLARC review is proposed in the organizational workplan to address the funding of the Standards of Quality (SOQ), and the prevailing school practices in Virginia elementary and secondary schools that exceed requirements enumerated in the SOQ. As part of this proposed study, JLARC staff could examine: (1) the current SOQ methodology as employed to address statutory and budget provisions, and possible enhancements to that methodology, (2) local school division practices that exceed, and are therefore not funded by, the SOQ, and the local costs associated with these practices (including technology costs and debt service costs that go beyond the SOQ), (3) the extent to which practices exceeding the SOQ are related to local ability-to-pay, and (4) the extent to which all State-distributed funding for elementary and secondary education, through the SOQ or other means, is based on local ability-to-pay. Given the need to utilize the most recent school expenditure data in this analysis (data which will likely not be fully available until the early spring of 2001), while recognizing the potential budget preparation implications of the proposed study, a final reporting date of August 2001 is suggested.

Evaluation Act Studies

(If approved)

The Joint Legislative Audit and Review Commission has the authority under the provisions of the Legislative Program Review and Evaluation Act to schedule functional areas of State government for systematic review and evaluation. The Commission may determine to continue studies in the area of Administration of Justice (SJR No. 262 and SJR No. 263 of 1995), or may determine to propose a new series of studies to the 2001 Session of the General Assembly.

4. VIRGINIA RETIREMENT SYSTEM OVERSIGHT

JLARC's oversight function for the Virginia Retirement System (VRS) is authorized by the Virginia Retirement System Oversight Act of 1994 (§§ 30-78 through 30-84 of the *Code of Virginia*). The Act directs JLARC to oversee and evaluate the Virginia Retirement System on a continuing basis and as directed by the General Assembly.

The objectives of retirement system oversight are:

- Provide timely, accurate information about the retirement system to the General Assembly.
- Assess the appropriateness of the structure of governance for the retirement system and recommend modifications to the structure as necessary.
- Evaluate on a periodic basis the soundness of the retirement system trust funds.
- Evaluate the performance of the VRS investment program and report to the General Assembly on any significant changes in the investment program.
- Evaluate the efficiency and effectiveness of VRS administration and operations.

To implement the retirement system oversight function, the following research activities are planned for 2000.

CONTINUING OVERSIGHT ACTIVITIES

Attend Monthly Meetings of the Board of Trustees and Committees

(Ongoing)

JLARC staff will continue to attend the monthly meetings of the VRS Board of Trustees and the Investment Advisory Committee. Staff may also periodically attend meetings of the following committees of the VRS Board of Trustees: administration and personnel, benefits and actuarial, and audit.

Semi-Annual Investment Report

(Planning date for briefings: Summer 2000 and Winter 2000)

JLARC staff will continue to monitor and review the VRS investment program. The focus of the review will remain on investment policy and asset allocation, as well as investment performance and risk management. JLARC staff will obtain detailed information concerning these areas through regular attendance at meetings of the VRS Investment Advisory Committee and the VRS Board of Trustees, structured interviews with VRS investment staff, reviews of VRS documents, reviews of documents of other public employee retirement systems, and analysis of secondary sources of investment data.

5. FISCAL ANALYSIS SECTION

The Fiscal Analysis Section (FAS) was established in 1999 to assist with legislative fiscal impact analysis and to conduct oversight of the executive branch expenditure forecasting process. The Section consists of a section manager, a fiscal analyst, and a fiscal economist. Additional JLARC staff may provide support as needed.

During the General Assembly Session, the section focuses on reviewing executive branch fiscal impact statements that are referred to JLARC by committee chairmen and co-chairmen. The results of the staff reviews are published in Fiscal Impact Review reports. During the 2000 Session, the FAS produced 20 Fiscal Impact Reviews. In addition to reviewing fiscal impact statements, the FAS is available to respond to ad hoc requests by General Assembly members and other legislative staff, as determined by the JLARC Chairman or Director.

Throughout the remainder of the year, the section provides oversight of the forecasts that are key to major State programs, including Medicaid, corrections, primary and secondary education, and higher education. Staff may also provide support to other JLARC projects and reviews.

Goals and Objectives

- Ensure that the General Assembly has reliable technical support in the areas of legislative fiscal analysis and expenditure forecasting in order to make informed public policy decisions.
- Conduct timely reviews of the fiscal effects of legislation upon request of committee chairmen and co-chairmen.
- Evaluate the performance of key executive branch forecasts and their relationship to the Commonwealth's biennial budget, and provide information about these forecasts to the General Assembly.

SECTION ACTIVITIES

Overview of the Expenditure Forecasting Process and the Fiscal Impact

Review Process

(Planning date for briefing: July 2000)

The JLARC Fiscal Analysis Section (FAS) will provide an overview of the expenditure forecasting processes used by the Commonwealth for the State's major budget drivers – Medicaid, corrections, primary and secondary education, and higher education. The overview will be descriptive in nature, with the goal of informing General Assembly members and legislative staff of the methods currently used to forecast the workload levels that ultimately drive expenditures in these areas. The Fiscal Analysis Section will also provide a summary of the Fiscal Impact Review process from the 2000 General Assembly and will propose enhancements to the review process for the 2001 Session.

Refine the Fiscal Impact Review Process

(Planning date for completion: Prior to 2001 legislative session)

The 2000 General Assembly was the first Session in which the Fiscal Analysis Section provided fiscal impact support to the legislature. While session activities were considered a success, the FAS has identified several aspects of the review process that can be improved. The FAS is developing a more user-friendly Fiscal Impact Review form. With the assistance of the Division of Legislative Automated Systems, the FAS is improving JLARC's internal fiscal impact tracking system. In addition, the FAS also planning an outreach effort prior to the 2001 session to better inform members and legislative staff of the availability of Fiscal Impact Reviews.

Medicaid and Primary and Secondary Education Enrollment Forecasts

(Ongoing)

Based on preliminary assessments of the four major expenditure forecasts, the Fiscal Analysis Section has determined that the forecasts that warrant the Section's initial attention are the Medicaid forecast and the primary and secondary education enrollment forecast. In addition, legislation (SB 515) was passed during the 2000 General Assembly requiring the Department of Planning and Budget and the Department of Medical Assistance Services to submit an estimate of Medicaid expenditures to JLARC by November 15 of each year. During 2000 the FAS will determine how best to structure JLARC's oversight of the Medicaid forecasting process. The FAS will also undertake an in-depth review of the primary and secondary enrollment forecast during 2000 and 2001. The completion date of the enrollment forecast review will be in 2001,

contingent on the approval of a JLARC review of State funding of elementary and secondary education and the subsequent completion of the study.

Support to Other JLARC Projects

(Ongoing)

Throughout 2000, the FAS will provide support to a variety of JLARC projects and reviews. In particular, the FAS will provide support to JLARC's reviews of the Office of Child Support Enforcement, any studies in the area of education, and Medicaid hospital rates. FAS staff will also provide support to other projects and to the Research Methods Section on an as-needed basis.

6. INTERNAL SERVICE FUNDS AND OTHER ONGOING OVERSIGHT ACTIVITIES

Internal Service Funds

Internal service funds are monitored on a continuing basis. The Commission reviews the status of fund accounts and evaluates requests to change the nature and scope of the services provided or the customers served. The Commission also approves in advance the rates employed by fund managers for billing customer agencies. Eleven internal service funds are now monitored by JLARC:

1. The Virginia Distribution Center (Department of General Services) stores and distributes various goods such as canned foods, paints, paper products, and cleaning supplies to State agencies, local governments, and school divisions.
2. The Office of Graphic Communications (Department of General Services) provides graphic design, layout, photography, and typesetting services to State agencies.
3. The Maintenance and Repair Program (Department of General Services) implements the rental plan or special maintenance agreements between DGS and entities whose office space is located at the seat of government.
4. The State Surplus Property Operation (Department of General Services) manages and disposes of surplus property for State agencies and institutions.
5. The Federal Surplus Property Operation (Department of General Services) acquires and distributes federal surplus property.
6. The Consolidated Laboratory Services account for laboratory analyses provided for the Department of Environmental Quality and the Department of Agriculture and Consumer Services; for the testing of motor fuels for the Virginia Department of Transportation; and the testing of drinking water samples for public water works.
7. The Real Property Program manages transactions involving the sale of State-owned real property.
8. The Computer Services Division (Department of Information Technology) provides data processing services to State agencies.

9. The Systems Development Section (Department of Information Technology) provides automated systems design, development, and maintenance services to State agencies.
10. The Telecommunications Division (Department of Information Technology) provides telephone and data transmission services to State agencies.
11. The Division of Fleet Management (Department of Transportation) operates the State's car pool and manages the fleet of passenger vehicles.

During 2000, the Commission will consider and act on rate changes requested by the internal service fund managers.

Inmate Forecast Technical Committee

Legislation passed during the 1995 Session (HB 2584) requires the development of a prison population forecast based on a consensus forecasting process. The Act provides for the establishment of a technical forecast group comprised of representatives from the Department of Corrections, the Department of Criminal Justice Services, the Virginia Criminal Sentencing Commission, the Joint Legislative Audit and Review Commission, and such experts as shall be appointed by the Secretary of Public Safety from the fields of criminal justice, population forecasting, or other appropriate field of study as may be deemed necessary. The Secretary of Public Safety acts as chairman of the technical advisory group. The staff methodologist represents JLARC in reviewing the development of forecast methodologies and alternative forecasts of the State's prison and jail populations.

Debt Capacity Advisory Committee

The JLARC Director is a member of the Debt Capacity Advisory Committee created by the 1994 General Assembly. The Committee is required to review the size and condition of the Commonwealth's tax-supported debt and submit to the Governor and General Assembly an estimate of the maximum amount of new tax-supported debt that prudently may be authorized for the next biennium. If necessary, the Director submits an informational memorandum to the chairs of the money committees.

Review of DPB Performance Measures Project

Since 1990, the Department of Planning and Budget (DPB) has been developing performance measures for use by Virginia State agencies. Legislative encouragement of this project has been expressed since the 1992 Appropriation Act mandated a pilot performance measures program. DPB has submitted draft measures to JLARC staff for review and comment. The 2000 Appropriation Act provides that JLARC review and comment on DPB's development of performance measures. A report by DPB on the status of the performance measures project will be scheduled for a fall meeting of JLARC.

DSS Local Information Technology Planning Committee

Item 379 B1 of the 2000 Appropriation Act continues a Local Information Technology Planning Committee to provide oversight of automated systems at the Department of Social Services. JLARC is designated as one of five State agencies with membership on the committee, along with five local social service agencies. The chief of one of JLARC's research divisions serves as the JLARC member of the committee. The committee meets monthly.

Juvenile Sentencing Study Advisory Committee

The Virginia Criminal Sentencing Commission in 1997 established an advisory committee on the issue of juvenile sentencing. The role of the advisory committee is to design and create a database of sentenced juveniles that can be used in analyzing issues such as recidivism and sentencing practices. The team leader of JLARC's study series on juvenile justice issues was appointed to serve on the Juvenile Sentencing Study Advisory Committee.

SUMMARY

PLANNED 2000 JLARC PROJECT SCHEDULE

<u>Project</u>	<u>Tentative 2000 Commission Briefing Date</u>
2000 JLARC Workplan	May
2000 Auditor of Public Accounts Workplan	May
Impact of 1999 JLARC Studies Report	May
Review of the Virginia Housing Development Authority	June
DGS Internal Service Funds Requests	June
DIT Internal Service Funds Requests	June
Fiscal Analysis Section Progress Report	July
Virginia Retirement System Oversight Report	July
<u>No Meeting</u>	August
Follow-up Review of Welfare Reform	September
Assessment of the Integrated Human Resources Information System (IHRIS)	September
Review of VDOT's Administration of the Interstate Maintenance Contract	September
Review of the Child Support Enforcement Program (Final Report)	October
The Costs of Raising Children	October
Performance Measures Review	October
Review of the Medicaid Reimbursement System for Inpatient Hospital Care	November
Revolutionary War Veteran Burial Sites (Final Report)	November
Review of the Richmond Metropolitan Authority's Toll Facility Operations	December
Review of the Virginia Distribution Center	December
Review of the State Aid Formula for Public Libraries	June 2001
Review of Small Business Development Centers	Summer 2001
Virginia Retirement System – Statutory Oversight	Ongoing
Reviews of General Fund Expenditure Forecasts	Ongoing
Internal Service Fund Reviews	Ongoing
Inmate Forecast Oversight	Ongoing
Debt Capacity Oversight	Ongoing
Proposed Study: State Funding of Elementary and Secondary Education	August 2001
Evaluation Act Studies (If Approved)	As Scheduled

7. DIVISION MANAGEMENT PROGRAM

Research projects are usually assigned to one of two research divisions, each headed by a division chief. Normally, one or more projects will also be assigned to the deputy director, who will carry out the functions of a division chief for those projects. The purpose of division management is to ensure quality products by supporting and monitoring the research and reporting activities of project teams. Division chiefs are responsible for maintaining organizational standards, adherence to deadlines, effective communication, and overall coordination of specific research tasks for each project assigned to the division. Major division chief activities include providing conceptual and research support, evaluating personnel, reviewing products, coordinating organizational resources, substantively editing reports, and carrying out project research and leadership roles when necessary.

The division chiefs accomplish overall goals through a series of objectives and work activities.

Goals and Objectives

- Produce high-quality reports that meet legislative needs for information.
- Promote development of highly skilled and productive research teams.
- Manage projects to achieve reasonable consistency with work plans, deadlines, and staff resources.
- Support staff development through clearly established objectives, performance evaluation, and training.
- Provide input to Director on broad organizational issues, and participate in organizational planning.
- Promote clear and accurate communication throughout JLARC for project and personnel management purposes.
- Serve as an effective liaison with legislative committees and subcommittees formed under the Legislative Program Review and Evaluation Act or established for specific projects.

- Provide support to research teams on identifying issues and developing project scope and research workplans.
- Develop and implement a framework for periodic monitoring of team products, processes, and documentation.
- Ensure that teams appropriately secure organizational support in research methods, data processing, and report production.
- Advise teams on effective written and oral presentation of research findings and conclusions.
- Edit reports and briefings, as needed, for substance and style to ensure accurate, clear, and appropriate presentation to various audiences.
- Ensure that legislative committees receive appropriate information and logistical support.
- As necessary, provide project leadership in lieu of team leaders who depart or are otherwise unable to successfully bring a project to closure.

Work Activities

Coordination and management of assigned research staff and projects are the fundamental activities of the divisions. The division chiefs advise their respective teams and monitor products throughout the research and report development process. They also participate in organizational planning, extended project reviews, staff development, and project follow-up activities.

Project Management. Each division chief meets regularly with team leaders and team members for purposes that include concept development, assessment of research and reporting processes and products, and status monitoring. Projects are periodically discussed with the Director.

Extended Review. The extended review process subjects major research products to the rigorous scrutiny of the Director, deputy director, both division chiefs, the staff methodologist, and the publications analyst. The reviews routinely occur at four stages of the research process: (1) pre-scope, (2) scope, (3) workplan, and (4) pre-exposure. At each stage, products are examined for sufficiency of evidence, soundness of conceptualization and recommendations, and clarity of presentation.

Staff Development. Division chiefs participate in the performance appraisal of professional staff. They also provide formal and informal training and technical assistance, as needed, in aspects of project management, team building, research, and reporting.

Legislative Liaison. Division chiefs provide coordination among related projects and serve as a point-of-contact for legislative committees involved with a functional area. As necessary, they facilitate arrangements, transfer of information, and follow-up activities.

8. RESEARCH METHODS

The Research Methods Section supports teams in developing and carrying out sophisticated evaluations of State programs and agencies. The section members consult with project teams concerning individual project needs and train staff members in the use of research techniques.

The 2000 program establishes the objectives and activities for the coming year.

Goals and Objectives

- Support the conceptualization, design, and implementation of research methods and techniques that produce rigorous and valid results for the General Assembly.
- Develop and implement training activities to enhance staff members' capability to conduct applied research.
- Provide timely advice to team members on research design, statistical methods, and data processing techniques to be used in the research process.
- Develop processes for providing technical assistance and consultation on JLARC studies.
- Provide technical assistance to the Fiscal Analysis Section.

Work Activities

The research methods section actively participates in team-based projects, training, and special projects.

Team Support. The staff methodologist consults with project teams on a day-to-day basis by exploring alternative conceptualizations and designs for studies as well as assisting in implementation of the designs. In 2000, the staff methodologist will also carry a primary research responsibility on the costs of raising children study and a supporting role on the proposed study of funding elementary and secondary education.

Training. Training offers an opportunity to enhance the capability of analysts to conduct research. The staff methodologist assesses the need for

methods training and works with the deputy director to develop appropriate courses. Training activities can take several forms, including multiple-session training courses, workshops, individual tutorials, and informal discussion sessions.

Extended Review. The staff methodologist serves as a member of the extended review team. In addition to a general review of team projects, the staff methodologist has a special responsibility for assessing the sufficiency of methods and analysis. The methodologist also verifies major analytic findings of reports.

Research Guide. The staff methodologist works with the deputy director to update the JLARC Research Guide. The Research Guide is an evolving reference that is intended to operationally define, formalize, and enhance research activities at JLARC.

9. INFORMATION SYSTEMS SUPPORT

Information systems support is provided by a number of resources within JLARC to assist teams in developing and carrying out increasingly more sophisticated analyses of State programs. Support activities have included consulting with project teams concerning individual project needs as well as training staff members in the use of computers. Information systems support also makes JLARC research products available to the public through maintenance of a World Wide Web site (<http://jlarc.state.va.us>) on the Internet and publication of a CD-ROM. Currently, most in-house information systems support is provided by the Computer Resources Manager and the publications analyst. Other staff also support this function.

Goals and Objectives

- Provide timely advice to team members on information processing techniques to be used in the research process.
- Provide technical assistance and consultation.
- Enhance the capacity for efficient use of all available information processing resources, including personal computers.
- Expand the availability and accessibility of computer resources used by the research staff.
- Provide JLARC research products to the public on the World Wide Web site and through publication of a CD-ROM.

Maintenance of the World Wide Web site involves updating publications lists, adding new reports for downloading, and ensuring that other information is accurate.

Special activities for 2000 include revision of software systems to support the fiscal analysis section and updates to the JLARC Web site. In addition, hardware upgrades are planned for most of JLARC's staff.

10. PUBLICATIONS AND GRAPHICS PROGRAM

The purpose of the publications and graphics section is to assist teams in the development of research reports and briefings, and to produce high-quality publications for use by the legislature and executive agencies. The section manager and two part-time assistants carry out the responsibilities of this program area.

The section manager serves on the extended review team, supervises the publications assistants, provides appropriate staff consultation in report writing and editing, assists team members in conceiving and developing appropriate graphic materials for projects, creates final graphics as necessary, coordinates with the study team in converting each Commission draft into the final publication, oversees the preparation of camera-ready copy, oversees contract printing, maintains the section's desktop publishing and presentation hardware and software, coordinates and finalizes briefing presentations, designs special publications, responds to the audiovisual needs of the staff, coordinates use of the agency's graphic information system, serves as editor for the *VRS Oversight Report* and the *Legislators' Guide to the Virginia Retirement System*, and serves as project leader for the Commission's biennial *Report to the General Assembly (RGA)*.

The publications assistants execute selected graphics for drafts and camera-ready copy, lay out and finalize reports for publication, produce presentation materials as needed, provide content for JLARC's web site in the required formats, and work on special projects as assigned.

The publication program realizes its overall goals within JLARC through a series of objectives and work activities.

Goals and Objectives

- Produce high-quality JLARC publications on a timely basis at a reasonable cost.
- Create high-quality informational graphics to enhance the communication of research findings in reports and briefings.
- Serve as a staff resource in the area of audio-visuals, including photography, sound and video recording, presentation technology, graphic information systems, and general communications.

- Work in a consultative capacity with team members, team leaders, and division chiefs on matters relating to the formatting, writing, editing, and use of graphics in research projects.
- Through self-training and systems development activities, maintain in-house, state-of-the-art desktop publishing and presentation systems to meet the organization's publications, presentation, and graphics needs.
- Contribute to the development of publishable research reports by participating in each report's extended organizational review (section manager only).
- Develop training programs such as workshops, written guides, and tutorials to increase the staff's skills in writing, presentations, computer software, and graphics.
- Continue to explore audio-visual and computer resources available for JLARC's use and their application in furthering training, professional development, graphics, presentation techniques, report production, and other appropriate areas.
- Take a lead role in special projects as required by the Director, including ongoing follow-up activities related to the biennial *RGA* (next edition due in September 2001).

Work Activities

Report production is the base of the publications section's responsibility. The section meets all of JLARC's needs for graphics and prepares all reports for printing. A variety of other activities related to JLARC's reporting responsibilities are also carried out by the publications section.

Report Production. The publications section prepares all reports for printing as organizational products. The process is comprised of four main phases:

1. *Graphic and editorial consultation.* From the time the project is assigned until the report goes into extended review, the research team works directly with the publications section on the preparation of graphics for report drafts and the briefing. Team leaders may also consult with the section manager concerning matters of composition, format, and editing.

2. *Extended review.* The section manager participates in every report's extended review process to raise concerns about organization, tone, format, effectiveness of the writing, general content, and graphics.
3. *Editing.* The publications edit of a report manuscript usually commences with the project team's completion of an exposure draft. The draft is reviewed for grammar, coherence, format, clarity of content, and stylistic consistency. Consultations are arranged as necessary with the project team members.
4. *Preparation for printing.* After the team has received the agency responses and made necessary changes to the report, it is given a final review by the section manager. The graphics are finalized, the text is transferred from word-processing to JLARC's computerized desktop publishing system, and final format decisions are made. The manuscript is then made camera-ready for printing, reviewed by the team leader and division chief, and approved by the Director. The section manager coordinates with the Division of Legislative Automated Systems and the printer under State contract.

Other Products and Responsibilities. Besides producing final reports, the publications section prepares other final informational products for the organization.

1. *Briefing packages.* Commission briefings in Senate Room A utilize a state-of-the-art digital projection system. The section manager maintains and applies this technology according to the agency's needs, as well as providing training to analysts on its use.
2. *VRS Oversight Materials.* JLARC's VRS oversight activities include regular publication of an oversight report, an informational guide for legislators, and other materials. The publications section works with the VRS oversight analyst in the production of these materials.
3. *General Communications.* The publications section frequently participates in the review and preparation of agency correspondence, award submissions, surveys, informational briefings about the agency, internal forms and documents, signage, etc.
4. *Geographic Information System.* When a research project requires the use of a computerized geographic information system (GIS), the section manager serves as a resource for initiating the system,

providing training to the team on its use, and maintaining the graphic files it produces.

Publication Training Activities. The section manager, in consultation with the Director and deputy director, designs training activities to impart knowledge and improve skills of JLARC staff. Private writing tutorials are also arranged upon request. Training areas may include informational graphics, report development, presentation software, and graphic information systems. This year, the section will update and enlarge JLARC's writing style manual.

11. BUSINESS MANAGEMENT AND OFFICE SERVICES PROGRAM

The business management and office services section is responsible for the administrative and word processing functions of the office. It is under the general supervision of the deputy director. The business management function includes budgeting, fiscal and personnel activities, along with general administrative management of the office. The Manager of Fiscal and Administrative Services (Business Manager) oversees the daily operations of the section.

Specific goals, objectives, and work activities for the business management and office services section are outlined below.

Goals and Objectives

- Provide a responsive service function for the office's research mission.
- Execute the budget plan and monitor expenses and receipts for compliance. Monitor and control expenditures for the current year for appropriateness, accuracy, and timely processing.
- Administer the payroll, oversee the timely completion of evaluations, monitor various payroll deductions, and activate salary adjustments.
- Conduct all administrative preparation and follow-up for Commission meetings, including polling of members, duplicating and organizing documents, and drafting meeting minutes.
- Manage the time allocation system.
- Monitor and control fixed assets and inventory.
- Coordinate human resources and personnel services for the office.
- Administer employee benefit programs and assist staff in their efforts to access current information.
- Maintain the JLARC Administrative Manual and inform staff of policy and procedural changes or developments.

- Carry out responsibilities as outlined in the records management policies and procedures, including maintenance of agency archives.
- Ensure that the research staff is provided with accurate and timely word processing and data entry support.
- Coordinate travel arrangements for research teams in the conduct of fieldwork.
- Assist in preparation for and orientation of new staff members.
- Organize legislative tracking activities.
- Coordinate parking for agency staff.
- Provide opportunities for the support staff to cross-train and enhance their capabilities.
- Integrate office logistics and office activities.

Work Activities

Budgeting. Budgeting activities include establishing and monitoring the budget plan, and processing and controlling expenditures. The current budget year's expenditures will be monitored and controlled to ensure that prompt payment, reporting, and other established guidelines are met. Appropriate budget worksheets will be prepared to ensure expenditures are maintained within the budget limits.

Payroll/Personnel. Required reconciliations will be completed and leave balances will be monitored to ensure accurate payment to employees and proper withholding. The preparation of personnel evaluations will be monitored to ensure timely completion and processing.

Benefits. Many changes have evolved over the past several years with regard to employee benefits, particularly in the area of health care. In order to keep abreast of health care issues and to provide staff with accurate and current information, the section manager will continue to attend benefit administrator meetings. In addition, the section manager will provide information to and assist employees with flexible reimbursement accounts, optional life insurance, deferred compensation, and retirement benefits. Throughout the year, the section manager will also assist employees with updating or changing their health care memberships or plans when qualifying conditions occur. Furthermore, the past several General Assembly Sessions have brought changes to other employee benefits. For example, major changes to and

increased options in State employee health benefits will become effective July 1, 2000. In addition, the State will increase its contributions to employee deferred compensation plans. As benefits continue to change and evolve, the section manager will strive to distribute accurate and timely information as well as address staff questions.

Records Management. The records manager, with the assistance of the administrative section, will carry out the responsibilities as outlined in the records management policy.

Administrative Manual. The manager will distribute revisions on an ongoing basis. This year, the computer resources manager, along with the business manager, converted the current manual to a pdf format. By automating the administrative manual, labor and other costs associated with producing hard copies have been reduced. In addition, automation has provided staff with convenient desktop access to the manual. By placing the Administrative Manual in a pdf format and on the desktop, staff can easily access links to web sites containing additional benefits information and other State and federal policies.

Document Processing. There will be continued involvement with the research staff to promote a steady workflow of material through word processing and data entry assistance.

Phone/Receptionist Services. The section will provide quality phone and receptionist coverage. A comprehensive schedule of phone/receptionist coverage will be prepared on a monthly basis.

Special Activities During 2000. In the late spring, the section will offer training to staff on the State's records management policies and procedures as well as JLARC's own internal policies. Due to the major changes taking place in the State's employee health benefits program, the section also plans to offer a presentation to staff highlighting existing and new health care options available to them.

The section will procure additional telecommunications equipment to assist staff with phone interviewing and information gathering. For example, the section will purchase equipment for audioconferencing and other hands-free communication. In some cases, our enhanced audioconferencing capability will reduce staff travel time and other associated costs.

The section is currently in the process of evaluating commercially available software and/or developing an in-house database to track and evaluate staff training. An automated training tracking tool will help target offerings that provide high quality, convenient, and affordable training.

Finally, the section will oversee the redesign and reconfiguration of several workstations within the office. The redesign of these workstations will afford staff increased storage capacity, improved conferencing capability, and a more ergonomic work environment. The office lobby will also be refurbished. The lobby furniture has been in place for more than 15 years.

12. TRAINING AND DEVELOPMENT PROGRAM

Work activities and project assignments in the training and development program are concerned with staff training and professional development. Personal professional development is largely the responsibility of the individual. Each staff member, in conjunction with his or her supervisor, should assess personal strengths and weaknesses. Action should be taken to build on strengths and address weaknesses. The individual can pursue self-directed study (such as a reading program or computer tutorials), training, university courses, or other options. The training program is coordinated by the deputy director. The program has multiple goals and objectives.

Goals and Objectives

- Maintain an organizational training program that promotes the accomplishment of agency missions and goals.
- Orient new staff to JLARC processes and procedures.
- Provide staff with greater opportunity to grow and succeed within JLARC.
- Strengthen JLARC's approach to organizational and team management.
- Provide staff members with appropriate training and education to improve their work performance and to enhance their capacity for greater responsibility.
- Provide staff with training on presentational skills and techniques.

Training Program

Staff training activities are designed to improve job performance. Job performance can be enhanced through meaningful learning experiences that impart knowledge, improve skills, or change attitudes.

Needs Assessment. An ongoing assessment of training needs will be conducted for the research and administrative staffs. This assessment will be routinely addressed in leadership planning meetings. This assessment may include: consideration of staff requests for training, review of education and training courses already taken by staff, and review of performance reports.

Training Activities. Based on organizational and individual needs, a training program is designed and implemented annually. This program contains appropriate training and education courses aimed at meeting JLARC's overall training and development needs. While the organization will attempt to provide sufficient opportunities for all staff to acquire the skills necessary for advancement, responsibility ultimately rests with the individual. Staff members should be proactive in identifying and addressing their own individual needs. Opportunities for training include:

- JLARC-conducted classes,
- ongoing JLARC tutorials,
- programs conducted by other State agencies,
- limited university tuition reimbursement for pre-approved coursework,
- consultant-conducted classes or programs at JLARC,
- outside seminars and training sessions, including continuing education and skills development classes at State universities and community colleges,
- self-directed reading programs, and
- others as requested and approved.

Training courses will be designed to strengthen staff research, managerial, technical, and human relations skills.

CommonHealth Schedule

Numerous CommonHealth programs have been planned for 2000. The CommonHealth programs that have already been completed include: Achieving Balance Express, Fit It In Express, and Safe Food Kitchen. Programs planned may include the Cholesterol Counts Challenge, Healthy Back, and Diet Dilemma.

Plans also include a Medical Screening program in the Fall, where participants' cholesterol levels, blood pressure, heart rate, and behavioral risk factors are assessed. Other programs may be scheduled as they are made available through the CommonHealth program. In addition, recurring programs – such as general health screenings, blood drives, and immunizations – may be made available to JLARC staff.

2000 Training Program

Specific activities for the 2000 training program are included in the schedule shown below. Other activities will be added as needs or opportunities arise.

2000 TRAINING PROGRAM

State Law Library Orientation	Supreme Court
Sexual Harassment in the Workplace	VCU
Health Care Benefits for 2000	DPT, Bishop
Statistical Analysis System (SAS) Version 8	Tittermary, Turnage
Library of Virginia Orientation	Library of Virginia Staff
NCSL Skills Development Seminar	Selected Staff
NCSL/NLPES Programs, Training	Selected Staff
Software training: intermediate and advanced - Access®, Excel®, and Word®	Local colleges and community colleges
Forecasting training	Fiscal analysis staff
Informational Graphics Workshop	Long
Geographic Information Systems Mapping	Selected Staff
Records management training	Irby, Jonas
Fixed Assets Accounting System training	State
Tracker training	Torrence

Ongoing

Research Guides revision	Jonas, Craver, staff
Individual training	As arranged
Software tutorials	Tittermary, DLAS
New employee orientation	Jonas, Staff
Writing and graphic tutorials	Long
CommonHealth activities	Friel
Financial management training	Bishop, Gobble
Retirement System Benefits Training	Bishop, Gobble
Benefits administration training	Bishop, Gobble
Payroll training	Bishop, Gobble